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Oilseeds and Products

Annual: Part 1 of 2 - Analysis

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Report Highlights:
China's total oilseed production in MY09/10 is forecast to decrease slightly, to 56.9 MMT, due mainly to reduced soybean planted area. Consumption of oilseeds in MY09/10 is forecast to grow at a modest rate of three percent, to 94.3 MMT. Soybean imports in MY09/10 are forecast at 38 MMT, up from the estimated 36.2 MMT in MY08/09, due to moderate GDP growth and continued concentration in the livestock sector.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Beijing [CH1]
[CH]

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Executive Summary

Total MY09/10 oilseed production is forecast at 56.9 MMT from a planted area of 27 million hectares (MHa), down from an estimated 57.2 MMT and 27.2 MHa, respectively, in MY08/09. Despite efforts by the Government of China to boost oilseed production, planting intentions for major oilseeds (except rapeseed) are expected to decrease in response to the poor returns received by farmers in MY08/09. Soybean production in MY09/10 is forecast to decrease 2.5%, to 15.6 MMT, based on a reduced planted area of 9.1 MHa and average yields. Rapeseed planted area and production are both forecast to rise by almost eight percent. China's soybean imports for MY09/10 are forecast at 38 MMT, up five percent from the estimated 36.2 MMT in MY08/09. Although consumer demand is likely to be impacted by the slowdown of GDP growth in 2009, overall oilseed demand is forecast to continue growing in MY09/10 due to increases in animal production, use of industrially produced animal feeds, and higher human consumption.

The second part of this report, GAIN CH9031, contains detailed trade tables.

Oilseeds Situation and Outlook

Total Oilseeds

MY09/10 total oilseed production is forecast at 56.9 MMT from a planted area of approximately 27 MHa, down slightly from the estimated 57.2 MMT and 27.2 MHa in MY08/09. Soybean production in MY09/10 is forecast to decline to 15.6 MMT based on reduced planted area resulting from lower returns received by farmers in MY08/09. Rapeseed production is forecast to increase to 12.7 MMT in MY09/10 as increased planted area responses to higher prices and the Government of China's (GOC) expanded subsidies.

Despite some new initiatives by GOC to rejuvenate oilseeds production, the existing "grain security/self sufficiency" policy continues to prevail and favors grains over oilseeds. As a result, the availability of arable land and lack of preference in subsidization impedes significant expansion of oilseeds planted area. Competition for land from other crops (grain crops and vegetables) and urban expansion limits increases in total oilseeds planted area. Moreover, yields for oilseeds are likely to remain stable or only slightly increase in MY09/10 because yield gains for oilseeds continue to be hindered by poor agronomic practices, poor technology, and inadequate farmer inputs. Domestic oilseeds available for crushing for feed use are slowly declining because of increasing food-use of Chinese oilseeds and stagnant domestic production. Although oilseed imports in MY08/09 are estimated to decline from the previous year mainly due to the impact of world economic crisis and a relative larger domestic production, the gap between domestic supply and demand continues to grow and imports will also increase to meet domestic consumption requirements. MY09/10 oilseed imports (mainly soybeans and rapeseed) are forecast to grow by four percent, to 38.8 MMT.

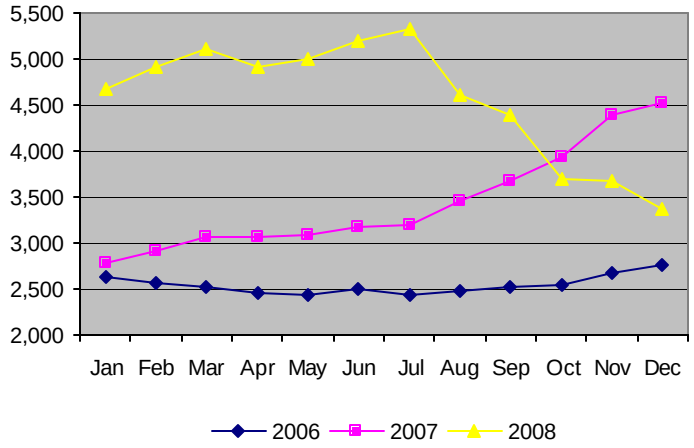
Soybeans

Production

Soybean production for MY09/10 is forecast to decrease to 15.6 MMT from the previous year's estimated 16 MMT. Total soybean planted area in MY09/10 is forecast at 9.1 MHa, down four percent from the estimated 9.5 MHa in MY08/09. The increased production in MY08/09 was mainly because of the planted area growth in major producing regions, including Heilongjiang and Inner Mongolia provinces, as farmers reacted to increased prices and returns from soybeans in MY07/08. According to China's National Grain and Oils Information Center (CNGOIC), total soybean planted area in MY08/09 was estimated at 9.6

MHa, up ten percent over the previous year. The national average yield was estimated at 1.7 MT/Ha in MY08/09, a record in the most recent four years. The average yield in Heilongjiang Province was less than 1.5 MT/Ha, as compared to the normal yield of 1.7 MT/Ha, due to lack of rainfall in parts of the province prior to harvest. In response to the increased profit received by farmers, soybean planted area also increased in other major producing provinces, including Inner Mongolia, Henan, Hebei, Shandong, and Liaoning provinces. The wholesale price for soybeans remained high, ranging from RMB 4,000/MT to RMB 5,000/MT from October of 2007 through the soybean sowing months of 2008, significantly higher than most parts of 2007 (See chart 1 - Exchange rate in 2008: RMB6.8 =$1.0).

Chart 1. Soybean Monthly Average Wholesale Prices in 2006-2008 (RMB/MT)



Source: China National Grains & Oils Information Center, Beijing

In the 2008 Statistics Book on Production Costs and Profits for Agricultural Products, China's National Development and Reform Commission (NDRC) reported that the profit received from corn and rice by farmers in Heilongjiang stood at US$249/Ha and US$390/Ha, respectively, while the profit from soybeans was US$271/Ha in MY07/08. As indicated in Chart 1, soybean prices hit a record high of RMB5,300/MT in July and then dropped to RMB3,400/MT in December 2008, down 28 percent as compared to January 2008. In comparison, the wholesale price for corn in Heilongjiang and Liaoning provinces from January to December 2008 fell by six percent. At the end of 2008, CNGOIC reported that wholesale prices for soybeans, soybean oil and meal declined by 28, 41 and 17 percent, respectively, from January 2008 (see tables 22-27).

The MY08/09 soybean marketing pace was slower than normal because of the lower than expected price offered by traders. Industry sources indicate that the soybean farm-gate price started at RMB4,000/MT in the beginning of September then dropped to RMB3,500/MT in October when marketing of the 2008 crop peaked. The price rebounded moderately to RMB3,700/MT in late October in response to the "State Purchasing of One MMT of Soybean" program (at price of RMB3,700/MT). However, the price for imported soybeans at entry ports fell to RMB3,100/MT in December 2008. Traders remained very cautious in purchasing domestic soybeans due to the price gap between domestic and imported soybeans. At of the end of January 2009, the GOC had to purchase six MMT of soybeans in an effort to protect farmer income. However, the soybean farm-gate price still remained low, ranging between RMB3,300-3,500/MT in the first ten days of February 2009. In an interview in March, a large soybean crusher complained that many crushing plants in Heilongjiang Province suspended operation (crushing of domestic soybeans) recently because of the growing gap between

domestic and imported soybean prices, and expected that the Province's soybean area in MY09/10 to fall by a minimum of 200,000 Ha.

Industry experts reported that soybean production costs in Heilongjiang increased rapidly, to an estimated RMB3,750/MT, in 2008 due to the surging price for inputs. Additionally, they estimated that 30 percent of soybean planting area is rented land and an average rental cost of $570/Ha is paid in Heilongjiang Province. Based on this, farmers' profit from MY08/09 soybeans is expected to be very limited or negative, especially on rented land. At the same time, the profit farmers received from competing crops, corn and rice, remained generally stable in the Northeast provinces. According to the Ministry of Agriculture (MOA), the average wholesale price for soybeans (for food use) in selected markets dropped to $726/MT in the first quarter 2009 from the $882/MT in 2008. Nonetheless, this reduced price is significantly higher the average price of $574/MT in 2007. It should be noted that food use domestic soybeans account for more than 50 percent of total production. Although farmers have yet to make final decisions for the 2009 crop, it is very likely that soybean area in the Northeast provinces will decline, while the area in other producing provinces is likely to remain at the 2008 level.

Soybean yield for MY09/10 is likely to return to an average level. The below average yield in MY07/08 was mainly a result of abnormal weather in Northeast China. Although the national average yield in MY08/09 returned to normal, yield in Heilongjiang Province was lower than average. Low yield and small-scale plantings continue to be challenges for soybean farmers' competitiveness. China's average soybean yield ranged from 1.65 to 1.8 MT/Ha between 2003 to 2008, as compared with an average of 2.7 MT/Ha in the United States. Post forecast average yield in MY09/10 is slightly higher than 1.7 MT/Ha.

Trade

Soybean imports for MY09/10 are forecast at 38 MMT, up five percent from the estimated 36.2 MMT for MY08/09. Soybean imports in MY08/09 are estimated to decline as a result of the widely anticipated slowdown of economic growth for China in 2009 and a relatively large domestic oilseed production. The forecast greater imports reflect a moderate recovery of China's economy in 2010 and continued growth in soybean meal demand.

As reported in GAIN7015, China's soybean demand continues in tandem with GDP growth and the resultant demand for animal protein and vegetable oil. Many industry sources expect that soybean demand will remain strong in the foreseeable future because of the strong and growing demand for protein meal by the rapidly developing animal husbandry industry (including aquaculture). Another important factor is the increasing consolidation in the livestock and aquaculture sector and the increased use of soybean meal rich commercial animal feeds relative to smallholder feeding patterns.

Despite the expected slowdown of the global economy and expectations of lower growth by many experts, the GOC is still confident in its ability to maintain eight percent GDP growth in 2009. According to industry sources, China's total industrialized feed production reached 131 MMT in 2008, up more than six percent over the previous year. This was driven by strong recovery in meat production in 2008, up six percent over the previous year. Milk production also maintained strong growth, up eight percent over the preceding year. Out of the total industrialized feed production in 2008, compound feed increased by seven percent, indicating the decline of self mixed feed practice and advancement of animal husbandry sector. This will further drive protein meal consumption. MOA's "Five-Year (2006-2010) Plan on Development of Feed Industry" (the 11th Five-Year plan) set the target for feed production at 131 MMT in 2010 with annual average growth rate of 4.5 percent. Based on industry

statistics, the yearly growth rate for industrialized feed production averaged 8 percent from 2005 to 2008.

The United States continues to face a challenge from Brazil to remain as the largest soybean supplier to China in MY09/10, although it is likely to re-gain some market share in MY08/09. China's soybean imports from the United States reached 13.7 MMT in MY07/08, accounting for 36 percent of the market share.

China's Soybean Imports by Country of Origin (in MMT) from MY06/07 to MY08/09

	MY06/07		MY07/08		MY08/09*	
Country	MMT	Share	MMT	Share	MMT	Share
United States	**11.5**	**40%**	**13.7**	**36%**	**5.1**	**58%**
Brazil	10.7	37%	12.5	29%	2.4	27%
Argentina	6.2	21%	10.9	33%	1.3	15%
Others	0.3	1%	0.7	2%	0.0	0%
Total	**28.7**	**100%**	**37.8**	**100%**	**8.7**	**100%**

Source: World Trade Atlas; * MY08/09 data up to December 2008

China's soybean exports are forecast at 500,000 MT in MY09/10. Export volume remains small compared to the total soybean consumption. Exports are likely to be stable and mainly destined to the traditional markets such as Korea and Japan.

Policy

The GOC will continue to support domestic oilseed production in MY09/10. According to China's Ministry of Finance (MOF), China's total comprehensive agricultural subsidies reached RMB86.7 billion ($12.7 billion) in 2008, out of which RMB15 billion ($2.2 billion) was paid to farmers as direct grain subsidies. MOF expects the total agricultural subsidy will increase further in 2009, but has not published specific data.

On December 8, 2008, NDRC chaired a meeting to analyze the soybean market situation that focused on low farm-gate price for domestic soybeans. Industry leaders from government, associations and large oilseed companies were represented. Some media sources reported that the following suggestions were proposed in the meeting for resolving Northeast soybean marketing difficulty: subsidize crushing plants which use domestic soybeans; restrict imports; and pursue anti-dumping cases against soybean imports. The media reported that some of the proposed suggestions were strongly objected to by an unnamed large state owned enterprise and there was the unsaid opposition from importers and foreign crushers. This balancing act reflects the pressure the GOC continues to face on meeting domestic oilseed demand, protecting planted area, and supporting farm income. Some version of this discussion seems to happen every year as imports grow and have more influence over domestic prices. The same recommendations have been made by the industry the past several years without significant policy changes by the government because of the status of the grain sector food security role and the acknowledgment that no new land is available for oilseed production.

On December 31, 2008, China's State Council announced "Measures on Stable Agricultural Development and Sustainable Income Growth for Farmers in 2009". In addition to increasing investments in rural infrastructure, the GOC plans to increase subsidies to grain and oilseed farming in 2009. All major crops including rice, wheat, corn, cotton, soybeans, and rapeseed will receive subsidies and the area coverage for each crop will expand from the previous year's level, the per unit subsidy amount is also expected to increase (see more in GAIN CH8010). According to MOA, the soybean area receiving seed/machinery subsidies ($20-30/Ha) reached 2.7 MHa in MY08/09, while industry sources reported that rapeseed area

receiving seed subsidies (at $22/Ha) stood at 6.7 MHa in MY08/09. Based on the new plan, all rapeseed planted area will receive subsidies and the subsidy coverage for soybeans will increase in 2009. Other initiatives include raising the floor prices and volume for state purchasing of grains and oilseeds and promoting new oilseed production, such as camellia in southern provinces.

According to an official media source, China's State Forestry Administration (SFA) presented a Mid-term Development Plan on Camellia (2008-2020) to NDRC in late 2008. The plan is aimed at increasing camellia planted area to 6.2 MHa and oil production to 3 MMT by 2020. The current yearly camellia oil production was estimated at 270,000 MT. Camellia is grown on hilly land without competing with other crops in Hunan, Jinagxi and Guangxi Provinces. The plan also requested government to provide investment to develop the camellia industry. While camellia production will remain small in the oilseed complex in the short term, reaching this goal would lift camellia oil to the number three position in domestic vegetable oil production.

Chinese officials and industry representatives are aware that poor competitiveness and low income are intertwined in the soybean sector. As in all non-grain sectors, they have limited ability to change the system because increasing average plot size risks unwanted unemployment/urban migration and the grain "self-sufficiency" program are politically off-limits. Thus, the only real levers left to the GOC are ways to increase yield, marketing efficiency, and even the playing field with other subsidized crops. Based on these factors, industry representatives in the Chinese soybean sector suggest providing more technical support to farmers.

1. "Biotech-free" soybean production policy remains unchanged.

The "biotech-free" soybean production policy exists because domestic soybeans are increasingly consumed directly as food, such as tofu, and the GOC still regards genetically modified food as a sensitive issue. Moreover, this policy ensures China can export with a substantial premium to European and Asian markets. This policy is *de facto* becoming the industry marketing strategy and an effective government supported market segregation tool.

The trade related biotech policy also remains unchanged. In early 2007, MOA reviewed and extended the genetically enhanced soybean safety certificates to February 20, 2010. Although shipment-by-shipment certification by MOA is unnecessarily burdensome, traders have not reported trade disruptions related to biotech certificates.

2. Impact of bulk agricultural commodity import monitoring system insignificant.

On June 24, 2008, MOFCOM published (2008) Decree No. 10 on "Administrative Measures (for trial implementation) on Bulk Agricultural Commodity Import Reporting and Information Publishing System" (GAIN reports CH6116 and GAIN7012). The reporting system took effect on August 1, 2008. USDA submitted comments to and held several consultations with MOFCOM to express U.S. concerns over the potential trade impact of the system. The final version of reporting system eliminated the sensitive reporting item-"Contract value". Currently, the import reporting covers six commodities (soybeans, rapeseed, soybean meal, soybean oil, rapeseed oil, and palm oil) and may be expanded if MOFCOM considers it necessary. The relevant information is updated every two weeks on MOFCOM website (http://wms.mofcom.gov.cn/column/wb2.shtml). Although the reporting procedures appear to be burdensome to importers, trade of the relevant commodities seems to be unaffected.

3. Soybean import duty returns to three percent.

The GOC reduced the import tariff rate for soybeans to one percent from three percent for three months effective October 1, 2007. The one percent rate was extended two times to the end of September 2008. In late 2008, industry sources widely speculated that the GOC might increase the soybean import duty beyond the WTO bound rate of three percent in response to the sharply decreased global soybean price reducing domestic farmer's income. However, the three percent import duty remained despite a record soybean imports in MY08/09. In late March 2009, rumors again spread suggesting that the GOC would increase the soybean import duty "significantly" to protect domestic farmers' interests, marketing of domestic soybeans, and offset the loss of state purchasing for reserve. In general, it appears the GOC will remain cautious in raising duties for oilseed imports mainly because of the continuous growth of domestic demand for oilseed products and China's WTO bound three percent duty for soybean imports.

4. CSIA's focus mainly on domestic oilseed rejuvenation.

Established in March 2007 (GAIN 7012), the China Soybean industry Association (CSIA) seems to be focused on and mainly engaged in lobbying the GOC to support domestic soybean production. Initially, there had been concern about some of CSIA's objectives that appeared to be against imports. CSIA efforts seem to have had limited and/or the impact on soybean trade has been limited because of the strong oilseed demand that cannot be met by domestic production. The growth in import market share has raised the intensity of the debate about the soybean industry within China. It is widely believed that facing the growing large supply and demand gap, the GOC is likely to maintain the current policy, while CSIA's role will be to focus on domestic production support.

5. Restructuring of soybean crushing sector continues.

China 's soybean crushing industry continued to consolidate in 2008, though industry sources indicate that mergers and acquisitions appeared to be less than 2007. There are no official reports on newly added crushing capacity in 2008, but a CNGOIC official estimated that six new crushing plants in the coastal provinces were put into operation in 2008 with new annual crushing capacity of 5 MM from the 80 MMT per year reported at the end of 2006. The capacity utilization is slightly more than 40 percent. Foreign ownership accounted for 65 to 70 percent of the total estimated utilized capacity. It is therefore likely that the mergers and acquisitions process will continue in MY09/10 as excess capacity hangs most heavily on smaller, domestically owned crushers.

State Purchasing Facilitated Marketing of Domestic Oilseeds

The soybean marketing pace of the MY08/09 domestic crop remained slower than normal because of the low farm-gate price after harvest and general market uncertainty during the global decrease in commodity prices. Industry sources reported that, as of the end of February, farmers in Heilongjiang province still held almost 40 percent of production compared to the 20 to 30 percent the previous year. However, as soybean prices were declining prior to the MY08/09 harvest, farmers were expecting the price to recover while traders/crushers anticipated the price might go down further. This hiatus during the normal height of trading drew attention from both at the provincial and central governments. On October 17, 2008, China's State Council decided to purchase some agricultural commodities for state reserves at floor prices to protect farmer incomes in the bearish market. The commodity purchases included soybeans (1.5 MMT), rapeseed (500,000 MT) and some grain products. Later, the GOC added purchases of 4.5 MMT soybeans in two tranches in late 2008 and January 2009, respectively. The measures had positive impact on prompting the marketing of the domestic crop. However, traders remained very cautious in purchasing domestic soybeans for crushing, as the import price was still RMB400-600/MT lower. In the

beginning of March, a senior manager of China State Grain Corporation complained that high soybean moisture content (higher than the standard for storage) delayed the purchasing pace. The management costs associated with state purchase were high in part due to the moisture content. For example, Heilongjiang Grain Bureau reported that some soybeans purchased are suspected to be imported biotech soybeans. As a result, they had to request that all warehouses check soybeans before purchase and strictly ban GMO beans for state reserve. Technically, biotech imported soybeans should be kept segregated because they cannot legally be used for food products. Reports speculated that the price gap between domestic and imported soybeans drove some traders to try to scam the system and this made the state purchase complicated and expensive. The high imports, at more than 3 MMT monthly throughout much of early MY08/09, also put pressure on marketing of domestic soybeans. Final results about whether 6 MMT of reserve purchases were completed have not been released. According to one larger soybean crusher in Heilongjiang Province, most local crushing plants stopped purchasing and crushing in March. It is estimated that, as of the end of February, more than 3.6 MMT soybeans in Heilongjiang was still in the hands of farmers.

The general domestic soybean marketing situation remains unchanged. The soybeans produced in the Northeast provinces are used throughout China to produce food, while the remainder is crushed locally or in nearby provinces. Traders of domestic soybeans for food use are usually small to medium size and still face many challenges in consolidating soybeans from households and villages. They complain that the shortage of rail cars impedes the shipment of soybeans to other parts of the country and extra fees for obtaining rail cars are burdensome. Shipping soybeans by truck is increasing because of the improved highways and convenience in redistribution. According to industry insiders, in order to crush domestic soybeans companies have to bear additional costs of about 170 RMB/MT because of inefficient capital costs and extra expenditures on warehousing, transport, and packaging.

Industry insiders reported that the rapeseed (500,000 MMT) purchased for state reserves was completed in late 2008. The purchase was done through traders (at farm-gate price of RMB4,400/MT) because farmers did not keep much rapeseed after September. The purchased rapeseed was crushed without prolonged storage and about 200,000 MT of rapeseed oil was produced to replenish the state vegetable oil reserve. Much of the reserve is blended vegetable oils and it is generally very hard to specify the state vegetable oil mix.

For general marketing information, contact the American Soybean Association (ASA). ASA is actively involved in marketing activities in China. They can be reached via email at beisoya@asachina.org. FAS's Agricultural Trade Office in Beijing also can provide marketing assistance via atobeijing@usda.gov.

Rapeseed

MY09/10 rapeseed production is forecast at 12.7 MMT based on increased planted area of 7 MHa, both up eight percent from the estimated 11.8 MMT and 6.5 MHa, respectively, in MY08/09. MY09/10 rapeseed planted area is forecast to be composed of 6.4 MHa of winter crop in the Yangtze River region and 600,000 Ha of spring crop in other provinces. This forecast is based on reports that farmers received relatively high profit for the MY08/09 crop, in addition to the seed subsidies. According to CNGOIC, MY07/08 rapeseed production was 10.6 MMT based on planted area of 5.6 MHa. In a nationwide teleconference held in September 2008, MOA minister announced a plan to increase 2008 winter rapeseed planted area to 97 million Mu (6.5 MHa), up by 670,000 Ha from the previous year's estimated 5.8 MHa, mainly through using winter idle land in the Yangtze River region. MOA also requested

that all agricultural departments take measures to increase yield to 1,875 Kg/Ha and increase the coverage of "double low" rapeseed varieties to 83 percent. According to the Hubei Provincial Rural Survey report, the MY08/09 rapeseed per unit profit increased by 60 percent over the previous year, while wheat was up only six percent. An industry source also estimated that the per unit profit from rapeseed stood at $570/Ha, compared to $135/Ha from wheat in Anhui Province in MY08/09. The GOC's seed subsidies at $22/Ha continued to provide an important incentive to rapeseed farmers. However, MOA's plan is challenged by plummeting prices for oilseed products when the MY09/10 crop was planted. Based on industry sources, the MY09/10 rapeseed area was larger than the previous year, in particular in Hubei, Sichuan, and Jiangxi, which is forecast to be up 12, 10 and 25 percent, respectively over the previous year.

The drought in the north Yellow River region and along the Hui River region from late 2008 through first months of 2009 had some impact on a limited rapeseed area in North Anhui and Henan Provinces. The growth of the majority of rapeseed along the Yangtze River region was rated as good. Post forecasts rapeseed yields in MY09/10 at slightly higher than 1.8MT/Ha, near the recent five year's average yield.

MY09/10 rapeseed imports are forecast at 800,000 MT, down from the estimated one MMT for MY08/09. Canada remained the largest supplier, accounting for 98 percent of China's imports.

Peanuts

The MY09/10 peanut production forecast is 14.1 MMT, slightly lower than the estimated production of 14.5 MMT in MY08/09. This is based on a smaller planted area of 4.4 MHa and an above average yield. Farmers in major peanut-producing provinces, including Henan, Shandong, Liaoning and Anhui, increased peanut area in response to high prices for peanut products in the first half of 2008. One industry source reported that MY08/09 peanut area increased 15 to 20 percent over the previous year. Marketing of MY08/09 crop, however, remained slow as the farm-gate price declined in response to price decreases for all oilseed products globally. In December 2008, Shandong Qilu Daily reported that the farm-gate peanut price in the largest peanut-producing region was 40-50 percent lower than the price received in previous year. Most industry experts believe that peanut area is likely to decrease in MY09/10.

Peanut exports are forecast to be 800,000 MT in MY09/10, up from the previous two years, but lower than the 1.0 MMT in MY06/07. Stagnant exports are mainly attributable to strong domestic demand and trade impediments imposed by Japan (Positive-Listing System effective June 1, 2006 with strict MRLs for pesticides including BHC and acetochlor) and the European Union (strict Aflatoxin residue level). MY07/08 Exports to Japan decreased by 30 percent over the previous year. Nevertheless, Japan still remains the largest destination for China's peanut products, followed by South Korea and Russia. Industry sources reported that the exports to Japan are likely to recover in MY08/09 and MY09/10. In September 2008, Japanese Peanut Industry Leaders called for more imports from China to meet Japan's demand through joint efforts in quality control.

Cottonseed

China's cottonseed production in MY09/10 is forecast at 13 MMT based on an estimated reduced cotton planting intention in all major cotton-producing regions. The GOC's policy favoring grain security and the decreased cotton profit received by farmers in MY08/09 are likely to attribute to a reduced cotton planting area in MY09/10. According to NSB, China's cotton production stood at 7.5 MMT, based on 5.76 MHa of planted area, in MY08/09. Based

on various sources, Post forecast the MY09/10 cottonseed production to be 13 MMT, down from the 13.5 MMT in the previous year.

Oilseed Meal Situation and Outlook

Total Meals

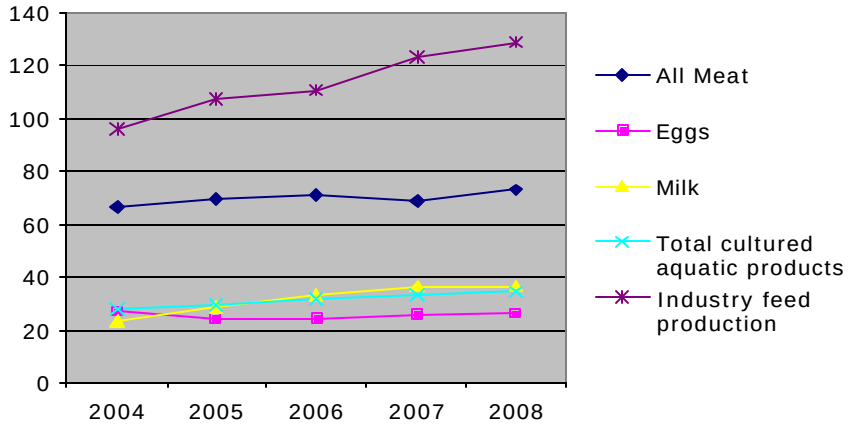
MY09/10 oilseed meal production is forecast to be 49.5 MMT, up four percent over the previous year. MY08/09 oilseed meal production is estimated at 47.5 MMT based on a projected oilseed crush of 72 MMT. Soybean meal (SBM) continues to dominate the oil meal complex, accounting for 68 percent of total meal production followed by rapeseed meal (16 percent) and cottonseed meal (9 percent). Total oil meal consumption in MY09/10 is forecast at 50.6 MMT, up 2.6 MMT or five percent over MY08/09. The growth of oil meal consumption in MY08/09 will likely to be reduced mainly because of an expected slow down of GDP growth in 2009. Fishmeal continues to be the largest protein meal imported, with an annual volume at more than 1.1 MMT, while trade of other protein meals remains insignificant.

Soybean Meal

Production and Consumption

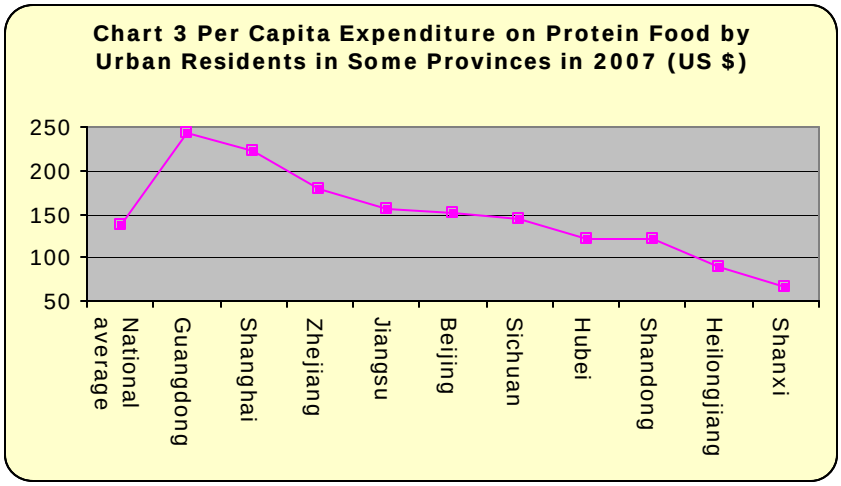
SBM production in MY09/10 is forecast at 33.8 MMT, up five percent from the estimated 32.1 MMT in MY08/09. Growing demand for animal products will continue to drive SBM production and consumption in MY09/10. The following table shows China's production of animal products and industrialized feed from 2002 to 2008. The annual feed production growth rate averaged nearly six percent.

Chart 2 Industrialized Feed and Major Animal Product Volume from 2004-2008 (in MMT)



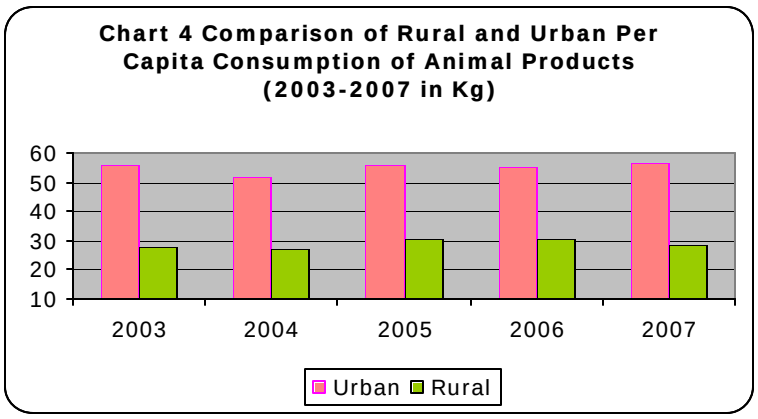
Source: NSB 2008 Statistics Yearbook Table 12-19/20; Ministry of Agriculture 2007 China Agriculture Statistics Report; Data for 2008 are Post's estimates; Feed data is based on industry sources.

Industry sources indicate that the industrialized feed production reached 131 MMT in 2008, up six percent over the previous year. Out of the total feed production, compound feed reached 99.5 MMT, up seven percent. Swine feed production recovered rapidly to an estimated 44 MMT, followed by broiler feed at 39 MMT, up 10 and six percent, respectively, over the previous year. Feed for the aquaculture sector declined slightly due to reduced aquatic production as a result of slow exports in 2008. The rapid growth of industrialized feed production confirms studies that show commercial feed based animal husbandry is replacing traditional feeding practices. The growing trend of compound feed is expected to drive oil meal consumption.



The demand for animal protein by Chinese consumers will drive SBM production and consumption in MY09/10. China's per capita expenditures for animal proteins (including all meats, poultry, eggs, and aquatic products) for 2007 averaged US$137, up from the US$109 in the previous year. Spending varies widely among regions, with the highest spending in Guangdong (US$243) and the lowest in Shanxi province (US$66). Large cities and a few coastal provinces are well above average and skew the national median expenditure; most regions lie well below the national average (See chart 3 - Source: Table 9-9 and 9-29 2008 China Statistical Yearbook).

In addition, the average difference between per capita yearly consumption of protein food in urban and rural areas remains large (more than 25 Kg). The consumption difference increased to 27.5 Kg in 2007 most likely because the high prices for meat reduced consumption in rural regions. (See chart 4 - Source: Table 9-9 and 9-29 2008 China Statistical Yearbook)



The consumption of milk and related products remained very low among the rural population (3.5 Kg) in 2007 as compared to the urban population (18 Kg). These differences illustrate the great potential increases in animal protein consumption by the 727 million rural people (out of the total 1,321 million) as incomes rise. Overall increases are also fueled by urbanization and remittances to rural areas. In general, the potential demand for protein food remains huge, especially in the inland rural provinces. As incomes permit the realization of new food patterns, it will drive demand for protein meals, especially SBM.

Trade

SBM imports in MY09/10 are forecast at 300,000 MT, up from the estimated 150,000MT in MY08/09. SBM imports increased rapidly to 836,000 MT in MY05/06 due to relatively cheap supplies from India. China became a net SBM importer in MY05/06, despite being a net exporter the five previous years. However, SBM exports increased to 840,000 MT in MY06/07 making China a net SBM exporter again. SBM exports in MY09/10 are forecast at 650,000 MT. Japan remained the largest buyer, accounting for 58 percent of China SBM exports in MY07/08. Industry analysts expect sporadic imports and exports of SBM as traders take advantage of regional or local price differences and China exports non-biotech SBM. The trade volume will remain insignificant compared to China's more than 30 MMT SBM supply.

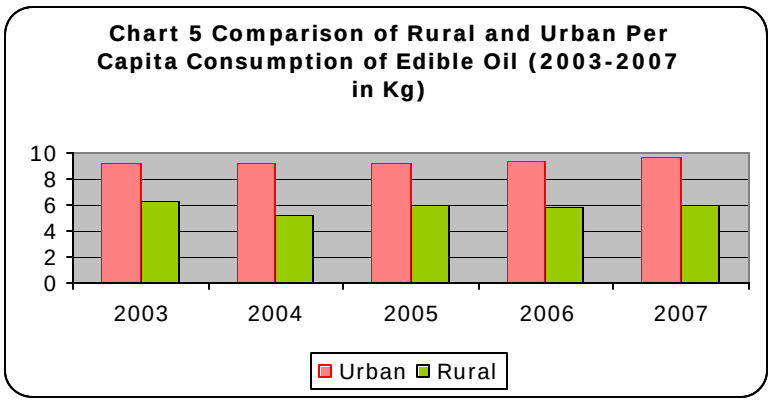
Fishmeal

Fishmeal imports for MY09/10 are forecast at 1.2 MMT, up from 1.12 MMT in MY08/09. Domestic fishmeal production declined to about 2500,000 MT per year. Global fishmeal production remains stable, though industry sources reported that, in the beginning of April, the Peruvian government increased the total catch quota by 500,000 MT for the 2009 fishing season. Imports in MY08/09 are estimated to decline mainly due to the availability of SBM at affordable price coupled with an anticipated slow down of China's economy growth. Imports in MY09/10 are forecast to recover given the demand by large-scale animal and aquaculture industries, though fishmeal price and availability will remain a constraint.

Oil Situation and Outlook

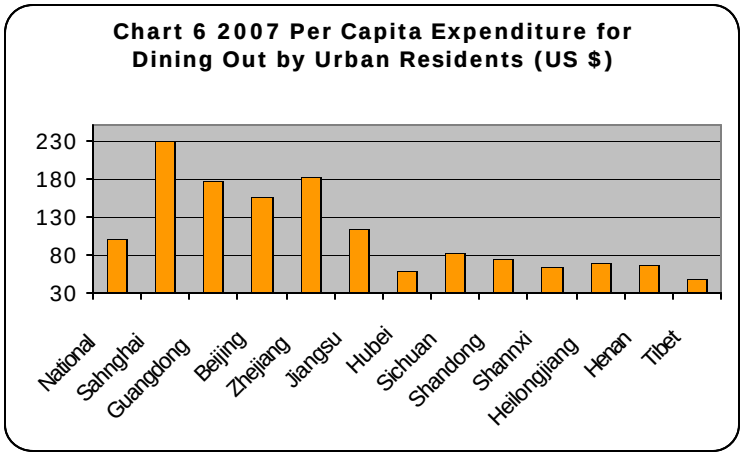
Total Oils

Total vegetable oil production for MY09/10 is forecast at 16 MMT, up 500,000 MT from the MY08/09 estimate. MY07/08 production was low because of the reduced domestic production of soybeans and rapeseed. Soybean oil is expected to remain the number one vegetable oil produced in China, accounting for 48 percent of total oil production, followed by rapeseed oil (29 percent), peanut oil (14 percent), cottonseed oil (9 percent), and sunflower seed oil (1 percent) in MY08/09. Total oil imports for MY09/10 are forecast to increase to 8.6 MMT from the estimated 8.1 MMT in the previous year. Total oil imports in MY08/09 are expected to decline by three percent over the previous year chiefly due to large domestic production and a slower consumption growth.



The MY09/10 total oil supply is forecast at 25 MMT. The MY09/10 total domestic food-use consumption of oils is forecast at 22.3 MMT, five percent more than MY08/09 (industrial use is forecast at 2.1 MMT). This amounts to 17 Kg per person based on China's population of 1,321 million at the end of 2007. China's average consumption of vegetable oil (16.6 kg) in 2007 remains 34 percent less than Taiwan's 2005 per capita consumption of 25.1 kg (See FAS/Taiwan report, TW7001). Even though China's oil consumption has grown rapidly in recent years, there still is significant growth potential before it reaches the level of Taiwan

and other similar Asian markets (See chart 5 and Table 9-9). According to NSB statistics, the per capita expenditures for dinning out by urban residents continued its rapid growth in 2007 to reach an average of US$101, up 12 percent over the previous year. The highest expenditures for dining out were Shanghai (US$230) and the lowest was Tibet (US$47). (See chart 6). In addition, NSB's data also shows that rural people consume more than 3 Kg less vegetable oil per capita per year than urban people. According to NSB, the retail sales output for lodging and catering industry reached RMB1,540 billion (US$227 billion) in 2008, increasing 25 percent over the previous year. With a government forecast eight percent GDP growth in 2009, a growing middle class that has more disposable income and eats more meals outside the home, and more than 120 million migrant workers living in cities, the long-term outlook for vegetable oil and oilseed imports remains very bright.



Palm oil imports are forecast to remain strong in MY09/10 at 5.7 MMT. The share of palm oil among total vegetable oil imports in MY09/10 is estimated at 66 percent. Soybean oil imports are forecast to increase to 2.5 MMT from the estimated imports of 2.3 MMT in MY08/09.

The wholesale price for major oils decreased dramatically from January to December 2008. Compared with January 2008, wholesale prices in December declined by 41, 41, and 53 percent for soybean oil, rapeseed oil and palm oil, respectively. The price fall for oils is mainly in response to the decline of international oilseed prices in 2008.

Soybean Oil

The MY09/10 soybean oil production forecast is 7.6 MMT, up five percent from last year's estimate. MY09/10 imports are forecast at 2.5 MMT, up six percent over the estimated 2.3 MMT for MY08/09. Argentina is expected to remain the largest soybean oil supplier to China in MY09/10. Total soybean oil imports from Argentine in MY07/08 reached 1.8 MMT, out of the 2.7 MMT total imports.

Palm Oil

Palm oil imports are forecast at 5.7 MMT in MY09/10, up 300,000 MT from the previous year. Demand for palm oil is strong because it remains less expensive compared to soybean oil. The palm oil price increased rapidly to be equivalent to 80 to 97 percent of soybean oil price in MY07/08 and declined to less than 70 percent at the end of 2008. Blending palm oil with other vegetable oils and selling it as cooking oil remains popular. Another factor contributing to strong demand continues to be increased demand for processed foods, especially instant noodles, which uses large amounts of palm oil. Industry sources show that instant noodle production reached 5 MMT in 2008, up more than five percent over 2007. Ready-to-eat noodles are popular with travelers, migrant workers, and some office workers. With more and more people traveling and eating outside of the home, demand for instant noodles is expected to continue rising in the near future.

Palm oil demand can only be supplied by imports because it is not produced in China. China's close proximity to Malaysia and other major palm oil producers gives palm oil the advantage of lower shipping costs relative to other oils. According to industry sources, the 2009 palm oil production in Indonesia is expected to exceed 19 MMT, up from the 18.6 MMT the previous year, while production in Malaysia remains generally unchanged at 16 MMT.

Statistics Tables

Total Oilseeds, Total Meal, and Total Oil PSD Tables

Table 1. Total Oilseeds

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Total Oilseeds**								
	2007	Revised	0	2008	Estimate	0	2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin									
Area Planted	20100	27030	26040	20550	28190	27220	0	0	26880
Area Harvested	25287	26970	26030	26850	27790	27200	0	0	26870
Beginning Stocks	2700	3123	2700	4245	3023	4263	6191	3523	5113
Production	53350	54200	52450	58330	57200	57200	0	0	56900
MY Imports	38636	35807	38636	37762	37005	37207	0	0	38808
MY Imp. from U.S.	12400	11500	13726	12000	12000	14600	0	0	14800
MY Imp. from the EC	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	94686	93130	93786	100337	97228	98670	6191	3523	100821
MY Exports	1339	1211	1339	1320	1420	1353	0	0	1427
MY Exp. to the EC	180	180	175	190	0	175	0	0	180
Crush Dom. Consumption	68466	67440	67824	71661	70692	70775	0	0	73126
Food Use Dom. Consump.	14357	14837	14360	14905	14860	15002	0	0	15050
Feed,Seed,Waste Dm.Cn.	6279	6619	6000	6260	6733	6427	0	0	6105
TOTAL Dom. Consumption	89102	88896	88184	92826	92285	92204	0	0	94281
Ending Stocks	4245	3023	4263	6191	3523	5113	0	0	5113
TOTAL DISTRIBUTION	94686	93130	93786	100337	97228	98670	0	0	100821
Calendar Year Imports	37716	35104	1316	37312	37902	38406	0	0	37951
Calendar Yr Imp. U.S.	11750	12500	0	12250	12000	12500	0	0	12500
Calendar Year Exports	1234	1256	930	1245	1250	1464	0	0	623
Calndr Yr Exp. to U.S.	11	14	0	11	15	0	0	0	0

Table 2. Total Meals

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Total Meal**								
	2007	Revised	0	2008	Estimate	0	2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin									
Crush	69666	68640	69024	72911	70692	71975	0	0	74326
Extr. Rate, 999.9999							0	0	
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	46101	45095	45326	48182	47150	47504	0	0	49454
MY Imports	1957	1935	1965	1820	656	1435	0	0	1962
MY Imp. from U.S.	65	65	65	65	0	60	0	0	70
MY Imp. from the EC	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	48058	47030	47291	50002	47806	48939	0	0	51416
MY Exports	785	515	745	692	770	897	0	0	767
MY Exp. to the EC	0	0	0	0	0	0	0	0	0
Industrial Dom. Consum	1271	1365	1320	1305	1495	1450	0	0	1465
Food Use Dom. Consump.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Consum	46002	45150	45226	48005	45541	46592	0	0	49184
TOTAL Dom. Consumption	47273	46515	46546	49310	47036	48042	0	0	50649
Ending Stocks	0	0	0	0	0	0	0	0	0
TOTAL DISTRIBUTION	48058	47030	47291	50002	47806	48939	0	0	51416
Calendar Year Imports	1861	1950	405	1720	685	1715	0	0	1900
Calendar Yr Imp. U.S.	65	65	0	65	0	0	0	0	68
Calendar Year Exports	778	560	0	727	784	829	0	0	714
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 3. Total Oils

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Total Oils**								
	2007	Revised	0	2008	Estimate	0	2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin								10/2007	10/2007
Crush	68466	67440	67824	71661	70692	70775	0	0	73126
Extr. Rate, 999.9999							0		
Beginning Stocks	250	250	250	227	180	208	357	357	318
Production	14660	14700	14489	15630	15472	15475	0	0	16025
MY Imports	8389	9230	8389	8521	9576	8126	0	0	8635
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	23299	24180	23128	24378	25228	23809	357	357	24983
MY Exports	127	80	125	123	75	104	0	0	106
MY Exp. to the EC	5	5	0	5	0	0	0	0	0
Industrial Dom. Consum	2000	2150	2000	2050	2250	2050	0	0	2100
Food Use Dom. Consump.	20945	21770	20795	21848	22603	21345	0	0	22319
Feed Waste Dom. Consum	0	0	0	0	0	0	0	0	0
TOTAL Dom. Consumption	22945	23920	22795	23898	24853	23387	0	0	24419
Ending Stocks	227	180	208	357	300	318	0	0	458
TOTAL DISTRIBUTION	23299	24180	23128	24378	25228	23809	0	0	24983
Calendar Year Imports	8857	940	6	9106	821	722	0	0	670
Calendar Yr Imp. U.S.	0	0	0	0	0	0	0	0	0
Calendar Year Exports	96	84	10	121	68	51	0	0	70
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	0	0	0

Oilseeds PSD Tables

Table 4. Soybeans

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oilseed, Soybean** (1000 HA)(1000 MT)								
	2007 Revised			2008 Estimate			2009 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Area Planted	9,200	8,700	8,750	9,450	9,300	9,500			9,100
Area Harvested	8,700	8,700	8,750	9,300	9,300	9,500			9,100
Beginning Stocks	2,700	3,123	2,700	4,245	3,023	4,263			5,113
Production	14,000	14,000	14,000	16,800	16,000	16,000			15,600
MY Imports	37,816	35,000	37,816	36,000	36,000	36,200			38,000
MY Imp. from U.S.	12,400	11,500	13,726	12,000	12,000	14,600			14,800
MY Imp. from EU	0	0	0	0	0	0			0
Total Supply	54,516	52,123	54,516	57,045	55,023	56,463			58,713
MY Exports	453	400	453	450	400	450			500
MY Exp. to EU	0	0	0	0	0	0			0
Crush	39,518	38,500	39,500	40,604	40,800	40,500			42,700
Food Use Dom. Cons.	8,600	8,500	8,600	8,650	8,500	8,650			8,650
Feed Waste Dom. Cons.	1,700	1,700	1,700	1,750	1,800	1,750			1,750
Total Dom. Cons.	49,818	48,700	49,800	51,004	51,100	50,900			53,100
Ending Stocks	4,245	3,023	4,263	5,591	3,523	5,113			5,113
Total Distribution	54,516	52,123	54,516	57,045	55,023	56,463			58,713
CY Imports	36,400	34,500	0	35,500	37,000	37,500			37,000
CY Imp. from U.S.	11,750	12,500	0	12,250	12,000	12,500			12,500
CY Exports	450	390	0	375	400	450			500
CY Exp. to U.S.	0	0	0	0	0	0			0

Table 5. Rapeseed

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oilseed, Rapeseed** (1000 HA)(1000 MT)								
	2007 Revised			2008 Estimate			2009 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Area Planted	0	6,600	6,000	0	7,100	6,500			7,000
Area Harvested	5,642	6,600	6,000	6,500	6,700	6,500			7,000
Beginning Stocks	0	0	0	0	0	0			0
Production	10,573	10,500	10,573	12,000	11,000	11,800			12,700
MY Imports	805	800	805	1,750	1,000	1,000			800
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	11,378	11,300	11,378	13,750	12,000	12,800			13,500
MY Exports	1	1	1	1	0				2
MY Exp. to EU	0	0		0	0				
Crush	10,903	10,600	10,903	12,549	11,300	12,150			12,900
Food Use Dom. Cons.	0	0		0	0	0			0
Feed Waste Dom. Cons.	474	699	474	600	700	650			598
Total Dom. Cons.	11,377	11,299	11,377	13,149	12,000	12,800			13,498
Ending Stocks	0	0		600	0				
Total Distribution	11,378	11,300	11,378	13,750	12,000	12,800			13,500
CY Imports	1,300	600	1,300	1,800	900	900			950
CY Imp. from U.S.	0	0		0	0				
CY Exports	1	1		1	0				
CY Exp. to U.S.	0	0		0	0				

Table 6. Peanuts

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oilseed, Peanut** (1000 HA)(1000 MT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Area Planted	3,825	4,650	4,600	4,200	4,700	4,500			4,400
Area Harvested	3,945	4,600	4,600	4,200	4,700	4,500			4,400
Beginning Stocks	0	0	0	0	0	0			0
Production	13,027	14,400	13,027	14,000	15,000	14,500			14,100
MY Imports	14	5	14	10	5	5			6
MY Imp. from U.S.	0	0		0	0	0			
MY Imp. from EU	0	0		0	0	0			
Total Supply	13,041	14,405	13,041	14,010	15,005	14,505			14,106
MY Exports	738	700	738	750	920	780			800
MY Exp. to EU	180	180	175	190	0	175			180
Crush	6,461	7,300	6,461	6,850	7,650	7,175			6,926
Food Use Dom. Cons.	5,100	5,580	5,100	5,605	5,600	5,700			5,700
Feed Waste Dom. Cons.	742	825	742	805	835	850			680
Total Dom. Cons.	12,303	13,705	12,303	13,260	14,085	13,725			13,306
Ending Stocks	0	0	0	0	0	0			0
Total Distribution	13,041	14,405	13,041	14,010	15,005	14,505			14,106
CY Imports	14	2	14	10	2	4			
CY Imp. from U.S.	0	0		0	0				
CY Exports	664	750	800	750	850	900			
CY Exp. to U.S.	11	14		11	15				

Table 7. Sunflower Seed

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oilseed, Sunflower Seed** (1000 HA)(1000 MT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Area Planted	850	980	750	875	990	880			880
Area Harvested	800	970	740	850	990	860			870
Beginning Stocks	0	0	0	0	0	0			0
Production	1,250	1,800	1,250	1,500	1,900	1,400			1,500
MY Imports	1	2	1	2	0	2			2
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	1,251	1,802	1,251	1,502	1,900	1,402			1,502
MY Exports	143	110	143	115	100	120			125
MY Exp. to EU	0	0		0	0				
Crush	364	840	364	642	942	550			600
Food Use Dom. Cons.	657	757	660	650	760	652			700
Feed Waste Dom. Cons.	87	95	84	95	98	80			77
Total Dom. Cons.	1,108	1,692	1,108	1,387	1,800	1,282			1,377
Ending Stocks	0	0		0	0				
Total Distribution	1,251	1,802	1,251	1,502	1,900	1,402			1,502
CY Imports	2	2	2	2	0	2			1
CY Imp. from U.S.	0	0		0	0				0
CY Exports	115	115	130	115	0	110			120
CY Exp. to U.S.	0	0		0	0				

Table 8. Cottonseed

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oilseed, Cottonseed** (1000 HA)(RATIO)(1000 MT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Area Planted (Cotton)	6,225	6,100	5,940	6,025	6,100	5,840			5,600
Area Harvested (Cotton)	6,200	6,100	5,940	6,000	6,100	5,840			5,600
Seed to Lint Ratio	0	0		0	0				
Beginning Stocks	0	0	0	0	0	0			0
Production	14,500	13,500	13,600	14,030	13,300	13,500			13,000
MY Imports	0	0		0	0				
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	14,500	13,500	13,600	14,030	13,300	13,500			13,000
MY Exports	4	0	4	4	0	3			0
MY Exp. to EU	0	0		0	0				
Crush	11,220	10,200	10,596	11,016	10,000	10,400			10,000
Food Use Dom. Cons.	0	0		0	0				
Feed Waste Dom. Cons.	3,276	3,300	3,000	3,010	3,300	3,097			3,000
Total Dom. Cons.	14,496	13,500	13,596	14,026	13,300	13,497			13,000
Ending Stocks	0	0		0	0				
Total Distribution	14,500	13,500	13,600	14,030	13,300	13,500			13,000
CY Imports	0	0		0	0				
CY Imp. from U.S.	0	0		0	0				
CY Exports	4	0		4	0	4			3
CY Exp. to U.S.	0	0		0	0				

Meal PSD Tables

Table 9. Soybean Meal

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Meal, Soybean** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	39,518	38,500	39,500	40,604	40,800	40,500			42,700
Extr. Rate, 999.9999	1.	1.	0.7916	1.	1.	0.7926			0.7916
Beginning Stocks	0	0	0	0	0	0			0
Production	31,280	30,500	30,900	32,134	32,300	32,100			33,800
MY Imports	203	300	203	230	200	150			300
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	31,483	30,800	31,103	32,364	32,500	32,250			34,100
MY Exports	634	400	594	580	640	750			650
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	765	750	780	810	860	860			870
Food Use Dom. Cons.	0	0		0	0				
Feed Waste Dom. Cons.	30,084	29,650	29,729	30,974	31,000	30,640			32,580
Total Dom. Cons.	30,849	30,400	30,509	31,784	31,860	31,500			33,450
Ending Stocks	0	0		0	0	0			0
Total Distribution	31,483	30,800	31,103	32,364	32,500	32,250			34,100
CY Imports	200	250		200	250	200			280
CY Imp. from U.S.	0	0		0	0				
CY Exports	650	500		600	700	700			600
CY Exp. to U.S.	0	0		0	0				

Table 10. Rapeseed Meal

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Meal, Rapeseed** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	10,903	10,600	10,903	12,549	11,300	12,150			12,900
Extr. Rate, 999.9999	1.	1.	0.6288	1.	1.	0.628			0.6279
Beginning Stocks	0	0	0	0	0	0			0
Production	6,856	6,660	6,856	7,890	7,100	7,630			8,100
MY Imports	302	500	302	200	400	150			400
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	7,158	7,160	7,158	8,090	7,500	7,780			8,500
MY Exports	89	50	89	50	80	80			60
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	321	390	350	310	400	400			400
Food Use Dom. Cons.	0	0		0	0				
Feed Waste Dom. Cons.	6,748	6,720	6,719	7,730	7,020	7,300			8,040
Total Dom. Cons.	7,069	7,110	7,069	8,040	7,420	7,700			8,440
Ending Stocks	0	0		0	0				
Total Distribution	7,158	7,160	7,158	8,090	7,500	7,780			8,500
CY Imports	200	450	300	150	400	350			400
CY Imp. from U.S.	0	0		0	0				
CY Exports	70	45		70	75	75			65
CY Exp. to U.S.	0	0		0	0				

Table 11. Peanut Meal

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Meal, Peanut** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	6,461	7,300	6,461	6,850	7,650	7,175			6,926
Extr. Rate, 999.9999	0.	0.	0.3985	0.	0.	0.3902			0.3913
Beginning Stocks	0	0	0	0	0	0			0
Production	2,575	2,860	2,575	2,730	3,000	2,800			2,710
MY Imports	101	30	101	75	50	10			60
MY Imp. from U.S.	0	0		0	0				0
MY Imp. from EU	0	0		0	0				0
Total Supply	2,676	2,890	2,676	2,805	3,050	2,810			2,770
MY Exports	2	5	2	2	10	10			4
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	0	0		0	0				
Food Use Dom. Cons.	0	0		0	0				
Feed Waste Dom. Cons.	2,674	2,885	2,674	2,803	3,040	2,800			2,766
Total Dom. Cons.	2,674	2,885	2,674	2,803	3,040	2,800			2,766
Ending Stocks	0	0	0	0	0				0
Total Distribution	2,676	2,890	2,676	2,805	3,050	2,810			2,770
CY Imports	100	40	100	50	35	65			65
CY Imp. from U.S.	0	0		0	0				0
CY Exports	3	5		2	9	4			3
CY Exp. to U.S.	0	0		0	0				

Table 12. Sunflower Seed Meal

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Meal, Sunflower Seed** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	364	840	364	642	942	550			600
Extr. Rate, 999.9999	1.	1.	0.5907	1.	1.	0.5891			0.59
Beginning Stocks	0	0	0	0	0	0			0
Production	215	455	215	350	510	324			354
MY Imports	0	5	0	5	6	5			2
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	215	460	215	355	516	329			356
MY Exports	0	0		0	0				
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	40	80	40	40	85	45			45
Food Use Dom. Cons.	0	0		0	0				
Feed Waste Dom. Cons.	175	380	175	315	431	284			311
Total Dom. Cons.	215	460	215	355	516	329			356
Ending Stocks	0	0		0	0				
Total Distribution	215	460	215	355	516	329			356
CY Imports	10	10	5	10	0				5
CY Imp. from U.S.	0	0		0	0				
CY Exports	0	0		0	0				
CY Exp. to U.S.	0	0		0	0				

Table 13. Cotton Seed Meal

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Meal, Cottonseed** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	11,220	10,200	10,596	11,016	10,000	10,400			10,000
Extr. Rate, 999.9999	0.	0.	0.4228	0.	0.	0.4231			0.424
Beginning Stocks	0	0	0	0	0	0			0
Production	4,875	4,320	4,480	4,765	4,240	4,400			4,240
MY Imports	0	0		0	0				
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	4,875	4,320	4,480	4,765	4,240	4,400			4,240
MY Exports	55	50	55	55	40	55			50
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	145	145	150	145	150	145			150
Food Use Dom. Cons.	0	0		0	0				
Feed Waste Dom. Cons.	4,675	4,125	4,275	4,565	4,050	4,200			4,040
Total Dom. Cons.	4,820	4,270	4,425	4,710	4,200	4,345			4,190
Ending Stocks	0	0		0	0				
Total Distribution	4,875	4,320	4,480	4,765	4,240	4,400			4,240
CY Imports	0	0		0	0				
CY Imp. from U.S.	0	0		0	0				
CY Exports	50	0		50	0	50			45
CY Exp. to U.S.	0	0		0	0				
SME	3,906	3,460	3,586	3,817	3,403	3,521			3,395

Table 14. Fish Meal

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Meal, Fish** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2008	01/2008		01/2009	01/2009		01/2010	01/2010
Catch For Reduction	1,200	1,200	1,200	1,250	0	1,200			1,200
Extr. Rate, 999.9	0.	0.	0.25	0.	0.	0.2083			0.2083
Beginning Stocks	0	0	0	0	0	0			0
Production	300	300	300	313	300	250			250
MY Imports	1,351	1,100	1,359	1,310	1,200	1,120			1,200
MY Imp. from U.S.	65	65	65	65	70	60			70
MY Imp. from EU	0	0		0	0				
Total Supply	1,651	1,400	1,659	1,623	1,500	1,370			1,450
MY Exports	5	10	5	5	10	2			3
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	0	0		0	0				
Food Use Dom. Cons.	0	0		0	0				
Feed Waste Dom. Cons.	1,646	1,390	1,654	1,618	1,490	1,368			1,447
Total Dom. Cons.	1,646	1,390	1,654	1,618	1,490	1,368			1,447
Ending Stocks	0	0		0	0				
Total Distribution	1,651	1,400	1,659	1,623	1,500	1,370			1,450
CY Imports	1,351	1,200		1,310	1,200	1,100			1,150
CY Imp. from U.S.	65	65		65	70				68
CY Exports	5	10		5	10				1
CY Exp. to U.S.	0	0		0	0				
SME	2,378	2,009	2,390	2,338	2,153	1,977			2,091

Oils PSD Tables

Table 15. Soybean Oil

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oil, Soybean** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	39,518	38,500	39,500	40,604	40,800	40,500			42,700
Extr. Rate, 999.99	0.	0.	0.1764	0.	0.	0.1788			0.1787
Beginning Stocks	250	250	250	227	180	208			318
Production	7,045	6,880	6,969	7,237	7,300	7,240			7,630
MY Imports	2,727	2,800	2,727	2,370	3,070	2,350			2,500
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	10,022	9,930	9,946	9,834	10,550	9,798			10,448
MY Exports	102	50	102	100	50	80			90
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	0	0		0	0				
Food Use Dom. Cons.	9,693	9,700	9,636	9,377	10,200	9,400			9,900
Feed Waste Dom. Cons.	0	0		0	0				
Total Dom. Cons.	9,693	9,700	9,636	9,377	10,200	9,400			9,900
Ending Stocks	227	180	208	357	300	318			458
Total Distribution	10,022	9,930	9,946	9,834	10,550	9,798			10,448
CY Imports	2,700	290		2,400	310	280			250
CY Imp. from U.S.	0	0		0	0				0
CY Exports	75	60		100	50	40			60
CY Exp. to U.S.	0	0		0	0				

Table 16. Rapeseed Oil

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oil, Rapeseed** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	10,903	10,600	10,903	12,549	11,300	12,150			12,900
Extr. Rate, 999.9999	0.	0.	0.3549	0.	0.	0.3556			0.3558
Beginning Stocks	0	0	0	0	0	0			0
Production	3,870	3,780	3,870	4,455	4,030	4,320			4,590
MY Imports	277	500	277	270	600	200			250
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	4,147	4,280	4,147	4,725	4,630	4,520			4,840
MY Exports	8	10	8	10	5	10			4
MY Exp. to EU	5	5		5	0				
Industrial Dom. Cons.	0	0		0	0				
Food Use Dom. Cons.	4,139	4,270	4,139	4,715	4,625	4,518			4,836
Feed Waste Dom. Cons.	0	0		0	0				
Total Dom. Cons.	4,139	4,270	4,139	4,715	4,625	4,510			4,836
Ending Stocks	0	0		0	0				0
Total Distribution	4,147	4,280	4,147	4,725	4,630	4,520			4,840
CY Imports	300	500		330	500	280			245
CY Imp. from U.S.	0	0		0	0				
CY Exports	10	9		10	6				
CY Exp. to U.S.	0	0		0	0				

Table 17. Peanut Oil

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oil, Peanut** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	6,461	7,300	6,461	6,850	7,650	7,175			6,926
Extr. Rate, 999.9999	0.	0.	0.3126	0.	0.	0.3136			0.3133
Beginning Stocks	0	0	0	0	0	0			0
Production	2,020	2,290	2,020	2,143	2,400	2,250			2,170
MY Imports	6	10	6	6	11	6			10
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	2,026	2,300	2,026	2,149	2,411	2,256			2,180
MY Exports	10	10	10	10	10	10			10
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	0	0		0	0				
Food Use Dom. Cons.	2,016	2,290	2,016	2,139	2,401	2,246			2,170
Feed Waste Dom. Cons.	0	0		0	0				
Total Dom. Cons.	2,016	2,290	2,016	2,139	2,401	2,246			2,170
Ending Stocks	0	0		0	0				
Total Distribution	2,026	2,300	2,026	2,149	2,411	2,256			2,180
CY Imports	6	10	6	6	11	7			10
CY Imp. from U.S.	0	0		0	0				
CY Exports	11	15	10	11	12	11			10
CY Exp. to U.S.	0	0		0	0				

Table 18. Cotton Seed Oil

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oil, Cottonseed** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	11,220	10,200	10,596	11,016	10,000	10,400			10,000
Extr. Rate, 999.9999	0.	0.	0.1416	0.	0.	0.1413			0.142
Beginning Stocks	0	0	0	0	0	0			0
Production	1,595	1,450	1,500	1,565	1,405	1,470			1,420
MY Imports	0	0		0	0				
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	1,595	1,450	1,500	1,565	1,405	1,470			1,420
MY Exports	4	10	4	3	10	4			2
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	0	0		0	0				
Food Use Dom. Cons.	1,591	1,440	1,496	1,562	1,395	1,466			1,418
Feed Waste Dom. Cons.	0	0		0	0				
Total Dom. Cons.	1,591	1,440	1,496	1,562	1,395	1,466			1,418
Ending Stocks	0	0		0	0				
Total Distribution	1,595	1,450	1,500	1,565	1,405	1,470			1,420
CY Imports	0	0		0	0				
CY Imp. from U.S.	0	0		0	0				
CY Exports	0	0		0	0				
CY Exp. to U.S.	0	0		0	0				

Table 19. Sunflower Seed Oil

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oil, Sunflower Seed** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	364	840	364	642	942	550			600
Extr. Rate, 999.9	0.	0.	0.3571	0.	0.	0.3545			0.3583
Beginning Stocks	0	0	0	0	0	0			0
Production	130	300	130	230	337	195			215
MY Imports	2	80	2	15	50	10			15
MY Imp. from U.S.	0	0		0	0				0
MY Imp. from EU	0	0		0	0				
Total Supply	132	380	132	245	387	205			230
MY Exports	3	0	1	0	0	0			0
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	0	0		0	0				
Food Use Dom. Cons.	129	380	131	245	387	205			230
Feed Waste Dom. Cons.	0	0		0	0				0
Total Dom. Cons.	129	380	131	245	387	205			230
Ending Stocks	0	0		0	0				
Total Distribution	132	380	132	245	387	205			230
CY Imports	5	5		5	0	0			0
CY Imp. from U.S.	0	0		0	0	0			0
CY Exports	0	0		0	0	0			0
CY Exp. to U.S.	0	0		0	0				

Table 20. Palm Oil

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oil, Palm** (1000 HA)(1000 TREES)(1000 MT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Area Planted	0	0		0	0				
Area Harvested	0	0		0	0				
Trees	0	0		0	0				
Beginning Stocks	0	0	0	0	0	0			0
Production	0	0		0	0				
MY Imports	5,223	5,700	5,223	5,700	5,700	5,400			5,700
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	5,223	5,700	5,223	5,700	5,700	5,400			5,700
MY Exports	0	0		0	0				
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	2,000	2,150	2,000	2,050	2,250	2,050			2,100
Food Use Dom. Cons.	3,223	3,550	3,223	3,650	3,450	3,350			3,600
Feed Waste Dom. Cons.	0	0		0	0				
Total Dom. Cons.	5,223	5,700	5,223	5,700	5,700	5,400			5,700
Ending Stocks	0	0		0	0				
Total Distribution	5,223	5,700	5,223	5,700	5,700	5,400			5,700
CY Imports	5,700	0		6,200	0				
CY Imp. from U.S.	0	0		0	0				
CY Exports	0	0		0	0				
CY Exp. to U.S.	0	0		0	0				

Table 21. Coconut Oil

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Oil, Coconut** (1000 MT)(PERCENT)								
	2007	Revised		2008	Estimate		2009	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2007	10/2007		10/2008	10/2008		10/2009	10/2009
Crush	0	0		0	0				
Extr. Rate, 999.9999	0.	0.	0.	0.	0.	0.			0.
Beginning Stocks	0	0	0	0	0	0			0
Production	0	0		0	0				
MY Imports	154	140	154	160	145	160			165
MY Imp. from U.S.	0	0		0	0				
MY Imp. from EU	0	0		0	0				
Total Supply	154	140	154	160	145	160			165
MY Exports	0	0		0	0				
MY Exp. to EU	0	0		0	0				
Industrial Dom. Cons.	0	0		0	0				
Food Use Dom. Cons.	154	140	154	160	145	160			165
Feed Waste Dom. Cons.	0	0		0	0				
Total Dom. Cons.	154	140	154	160	145	160			165
Ending Stocks	0	0		0	0				
Total Distribution	154	140	154	160	145	160			165
CY Imports	146	135		165	0	155			165
CY Imp. from U.S.	0	0		0	0				
CY Exports	0	0		0	0				
CY Exp. to U.S.	0	0		0	0				

Soybean & Rapeseed Wholesale Price Tables

Table 22. Wholesale Soybean Prices CY2008

Unit: RMB Yuan/MT: RMB6.8 =US$1.00

Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	4,750	4,993	5,155	4,971	4,998	5,228	5,349	4,590	4,311	3,663	3,685	3,409
Hebei	4,639	4,870	5,109	4,864	5,010	5,205	5,347	4,590	4,311	3,663	3,685	3,409
Jilin	4,541	4,791	5,000	4,781	4,953	5,135	5,252	4,355	4,200	3,558	3,639	3,360
Heilongjiang	4,449	4,724	4,960	4,703	4,926	5,111	5,183	4,245	3,959	3,462	3,588	3,341
Shanghai	4,750	4,993	5,155	4,981	4,998	5,228	5,387	4,755	4,593	3,796	3,678	3,360
Jiangsu	4,750	4,993	5,155	4,981	4,998	5,228	5,387	4,755	4,593	3,785	3,678	3,348
Jiangxi	4,780	5,000	5,200	5,050	5,050	5,300	5,420	4,800	4,630	3,820	3,720	3,420
Shandong	4,800	5,060	5,205	4,981	4,993	5,242	5,388	4,755	4,593	3,763	3,725	3,409
Henan	4,652	4,887	5,082	4,921	5,062	5,235	5,352	4,665	4,368	3,720	3,725	3,409
Guangdong	4,734	4,993	5,155	4,981	4,998	5,233	5,378	4,755	4,593	3,786	3,725	3,333
Average	4,674	4,923	5,108	4,907	4,993	5,205	5,336	4,607	4,391	3,688	3,681	3,375
Jan-Dec Change = - 28%												

Table 23. Wholesale Soybean Meal Prices in CY2008

Unit: RMB Yuan/MT: RMB6.8=US$1.00

Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Beijing	3,651	3,798	3,863	3,670	3,851	4,394	4,517	3,983	3,859	3,306	3,231	2,945
Jilin	3,631	3,801	3,943	3,809	3,964	4,467	4,606	4,168	3,996	3,387	3,335	3,112
Heilongjiang	3,564	3,748	3,898	3,721	3,918	4,412	4,517	4,137	3,851	3,298	3,207	3,012
Shanghai	3,650	3,775	3,800	3,630	3,840	4,380	4,480	3,980	3,820	3,265	3,200	3,000
Jiangsu	3,649	3,770	3,793	3,628	3,835	4,372	4,478	3,976	3,817	3,262	3,200	2,989
Fujian	3,653	3,798	3,794	3,671	3,866	4,406	4,436	3,976	3,829	3,246	3,203	2,996
Jiangxi	3,655	3,800	3,802	3,675	3,868	4,410	4,440	3,985	3,835	3,250	3,215	3,000
Shangdong	3,669	3,781	3,825	3,657	3,836	4,389	4,515	4,008	3,879	3,367	3,315	3,083
Henan	3,734	3,864	3,872	3,771	3,876	4,433	4,554	4,071	3,917	3,404	3,302	3,046
Guangdong	3,609	3,774	3,747	3,595	3,862	4,463	4,461	3,967	3,780	3,235	3,175	3,064
Guangxi	3,692	3,837	3,827	3,682	3,901	4,478	4,515	4,005	3,845	3,268	3,212	3,038
Average	3,650	3,797	3,840	3,689	3,879	4,424	4,511	4,032	3,864	3,308	3,242	3,032
Jan-Dec Change = -17%												

Table 24. Wholesale Soybean Oil Prices in CY2008

Unit: RMB Yuan/MT: RMB6.8 =US$1.00

Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	11,795	12,813	13,152	11,567	10,952	11,210	11,059	8,860	8,505	6,755	6,820	6,765
Hebei	11,945	12,947	13,419	11,740	11,152	11,326	11,109	8,902	8,561	6,829	6,954	6,898
Jilin	11,795	12,707	14,157	12,286	11,614	11,560	11,372	9,408	8,732	7,105	7,213	7,196
Heilongjiang	11,308	12,407	14,283	12,262	11,673	11,602	11,417	9,428	8,761	7,110	7,313	7,171
Shanghai	11,759	12,800	13,162	11,533	10,919	11,130	10,996	8,855	8,511	6,745	6,785	6,772
Jiangsu	11,759	12,800	13,162	11,533	10,900	11,135	10,996	8,855	8,511	6,745	6,785	6,772
Jiangxi	11,820	12,900	13,200	11,600	11,000	11,150	11,200	8,900	8,550	6,800	6,820	6,800
Shandong	11,782	12,907	13,176	11,495	10,948	11,150	11,022	8,860	8,505	6,730	6,925	6,848
Henan	11,991	13,027	13,490	11,700	11,081	11,320	11,104	8,933	8,589	6,790	6,973	6,978
Guangdong	11,652	12,740	13,143	11,310	10,686	11,055	10,857	8,580	8,274	6,365	6,555	6,691
Average	11,754	12,794	13,460	11,714	11,103	11,276	11,104	8,965	8,550	6,797	6,925	6,899
Jan-Dec Change = - 41%												

Table 25. Wholesale Rapeseed Oil Prices in CY2008

Unit: RMB Yuan/MT: RMB6.8 =US$1.0

Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	De
Jiangsu	12,277	13,427	14,514	13,300	11,967	12,343	12,439	10,575	9,884	7,890	7,340	6,95
Zhejiang	12,336	13,400	14,557	13,362	12,067	12,430	12,474	10,615	9,958	8,015	7,500	7,08
Anhui	12,291	13,440	14,524	13,333	12,124	12,425	12,535	10,815	10,137	8,255	7,950	7,48
Jiangxi	12,200	13,373	14,495	13,133	11,824	12,450	12,535	10,600	9,995	8,115	7,715	7,44
Hubei	12,250	13,347	14,438	13,157	11,855	12,515	12,576	10,368	9,829	7,795	7,325	7,08
Hunan	12,250	13,403	14,590	13,343	11,924	12,565	12,624	10,575	9,974	7,980	7,250	7,13
Sichuan	12,600	13,593	15,571	13,971	12,148	12,910	13,139	11,095	10,732	8,685	7,955	7,63
Average	12,315	13,426	14,670	13,371	11,987	12,520	12,617	10,663	10,073	8,105	7,576	7,25
Jan-Dec Change = - 41%												

Table 26. Wholesales Palm Oil Ex-Pier Prices CY 2008

Unit: RMB Yuan/MT: RMB6.8 =US$1.0

Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	De
Tianjin	9,752	10,790	10,967	10,157	10,164	10,654	10,033	7,733	6,813	5,000	4,700	4,61
Qingdao	9,786	10,800	10,979	10,210	10,230	10,688	10,057	7,720	6,829	5,005	4,718	4,58
Lianyungang	9,745	10,773	10,910	10,157	10,217	10,673	10,002	7,645	6,771	5,055	4,785	4,62
Zhangjiagang	9,748	10,787	10,895	10,148	10,226	10,638	9,985	7,575	6,695	4,968	4,735	4,57
Shanghai	9,748	10,787	10,895	10,148	10,226	10,638	9,985	7,575	6,695	4,968	4,735	4,57
Ningbo	9,823	10,833	11,095	10,295	10,307	10,713	10,072	7,795	7,000	5,273	4,875	4,65
Guangzhou Huangpu	9,532	10,600	10,810	10,005	10,230	10,630	9,974	7,675	6,837	5,238	4,720	4,42
Shenzhen	9,530	10,600	10,800	10,000	10,200	10,600	9,975	7,676	6,840	5,240	4,720	4,42
Average	9,731	10,764	10,943	10,162	10,229	10,666	10,021	7,691	6,824	5,090	4,756	4,57
Jan-Dec Change = - 53%												

Table 27. Comparison of Wholesale Prices for Soy, Palm & Rapeseed Oil in CY 2008

Oils	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	De
Rapeseed	12,315	13,426	14,670	13,371	11,987	12,520	12,617	10,663	10,073	8,105	7,576	7,25
Palm	9731	10764	10943	10162	10229	10666	10021	7691	6824	5090	4756	457
Soy	11,754	12,794	13,460	11,714	11,103	11,276	11,104	8,965	8,550	6,797	6,925	6,89
Diff % Rape/Soy	5%	5%	9%	14%	8%	11%	14%	19%	18%	19%	9%	5
Diff % Palm/Soy	-17%	-16%	-19%	-13%	-8%	-5%	-10%	-14%	-20%	-25%	-31%	-34

Source: CNGOIC

Taxes & Duties Tables (Jan 01-Dec 31, 2009)

Table 28. Oilseeds

HS Code	Description		CT(%)			
Oil Seed		M.F.N.(%)	CA	CP	CC	V.A.T.(%)
12010010	Soybeans, seed	0				13
12010091	Yellow soybean	3*		0	2.1	13
12010092	Black soybean	3		0	0	13
12010093	Green soybean	3		0	0	13
12010099	Other soybean	3		0	0	13
12021010	In shell peanut, seed	0				13
12021090	In shell peanut, other	15	8	14.1	6	13
12022000	Shelled peanut	15	8	14.1	0	13
20081110	Peanut kernels, in airtight containers	30	T3		0	17
20081120	Roasted peanuts	30	T3		0	17
20081130	Peanut butter	30	T3		0	17
20081190	Other processed peanuts	30	T3		0	17
12051010	Low oleic acid rape seed, seed	0				13
12051090	Low oleic acid rape seed, other	9	5	0	6.3	13
12059010	Other rapeseed, seed	0				13
12059090	Other rapeseed, other	9	5	0	6.3	13
12060010	Sunflower seeds, seed	0				13
12060090	Sunflower seeds, other	15	8	14.1	10.5	13
12072010	Cottonseeds for cultivation	0				13
12072090	Cottonseeds, other	15	8	14.1	6	13
12074010	Sesame seeds for cultivation	0				13
12074090	Sesame seeds, other	10	T3	9	0	13

Table 29. Oils

HS Code	Description		CT(%)			
Oil		M.F.N.(%)	CA	CP	CC	V.A.T.(%)
15071000	Crude soybean oil	9				13
15079000	Other soybean oil	9				13
15081000	Crude peanut oil	10	8			13
15089000	Other peanut oil	10	8			13
15091000	Olive Oil, virgin	10	T3		7	13
15099000	Olive oil, other	10	8		7	17
15111000	Palm oil, crude	9				13
15119010	Palm oil, liquid	9				13
15119020	Stearin	8				13
15119090	Palm oil, other	9				17
15121100	Crude sunflower seed oil	9	5			13
15121900	Other sunflower seed oil	9	5			17
15122100	Crude cottonseed oil	10	8			13
15122900	Other cottonseed oil	10	8			17
15131100	Crude coconut oil	9	T3	4.5	0	13
15131900	Other coconut oil	9	T3	4.5	0	13
15132100	Crude palm kernel oil	9	T3		0	13
15132900	Other palm kernel oil	9	T3		0	17
15141100	Crude low oleic acid rape or colza oil	9				13
15141900	Other crude low oleic acid rape oil	9				13
15149110	Crude rape or colza oil	9				13
15149190	Crude mustard oil	9				13
15149900	Other rape oil	9				17

Table 30. Meals

HS Code	Description		CT(%)			
Meal		M.F.N.(%)	CA	CP	CC	V.A.T.(%)
12081000	Soybean flour	9	5	7.7	0	17
12089000	Other	15	8	14.1	6	17
23012010	Fish meal	2		0	1.4	13
23025000	Legume sweepings	5		2.5	0	13
23040010	Soy meal, oil cake	5		0	3.5	13
23040090	Soy meal, other	5		0	0	13
23050000	Peanut meal	5		2.5	0	13
23061000	Cottonseed meal	5		2.5	0	13
23063000	Sunflower seed meal	5		2.5	0	13
23064100	Low oleic acid rapeseed meal	5		2.5	0	13
23064900	Other rapeseed meal	5		2.5	0	13

Note: MFN – Most Favored Nation Status; CA--China/Association of Southeast Asia; CP--China/Pakistan; CC--China/Chile; T3--Various Tax Rates Applied on ASEAN Ten Countries, Respectively.
*Soybean import duty stood at 1% up until September 30, 2008.